

establishment of the Federal Government on or after the date which is 90 days after Nov. 7, 1986, and subsec. (c) effective with respect to conduct described in section 53 of this title which occurs on or after Nov. 7, 1986, see section 3 of Pub. L. 99-634, set out as an Effective Date of 1986 Amendment note under section 51 of this title.

§ 58. Inspection authority

For the purpose of ascertaining whether there has been a violation of section 53 of this title with respect to any prime contract, the Government Accountability Office and the inspector general of the contracting agency, or a representative of such contracting agency designated by the head of such agency if the agency does not have an inspector general, shall have access to and may inspect the facilities and audit the books and records, including any electronic data or records, of any prime contractor or subcontractor under a prime contract awarded by such agency. This section does not apply with respect to a prime contract for the acquisition of commercial items (as defined in section 403(12) of this title).

(Mar. 8, 1946, ch. 80, § 8, as added Pub. L. 99-634, § 2(a), Nov. 7, 1986, 100 Stat. 3525; amended Pub. L. 103-355, title VIII, § 8301(c)(2), Oct. 13, 1994, 108 Stat. 3397; Pub. L. 108-271, § 8(b), July 7, 2004, 118 Stat. 814.)

AMENDMENTS

2004—Pub. L. 108-271 substituted “Government Accountability Office” for “General Accounting Office”.

1994—Pub. L. 103-355 inserted at end “This section does not apply with respect to a prime contract for the acquisition of commercial items (as defined in section 403(12) of this title).”

EFFECTIVE DATE OF 1994 AMENDMENT

For effective date and applicability of amendment by Pub. L. 103-355, see section 10001 of Pub. L. 103-355, set out as a note under section 251 of this title.

EFFECTIVE DATE

Section effective with respect to conduct described in section 53 of this title which occurs on or after Nov. 7, 1986, see section 3(a) of Pub. L. 99-634, set out as an Effective Date of 1986 Amendment note under section 51 of this title.

CHAPTER 2—TERMINATION OF WAR CONTRACTS

Sec.	
101.	Declaration of policy.
102.	Surveillance by Congress.
103.	Definitions.
104.	Administration of chapter.
105.	Contract Settlement Advisory Board; composition; duties.
106.	Basis for settlement of termination claims.
107.	Settlement of subcontractors' claims.
108.	Interim financing.
109.	Advance or partial payments to subcontractors; excessive payments, interest, liability of war contractor.
110.	Guarantee of loans, advances, etc.
111.	Termination of contracts.
112.	Removal and storage of materials.
113.	Appeals.
114.	Court of Federal Claims.
115.	Personal financial liability of contracting officers.
116.	Repealed.

Sec.	
117.	Defective, informal, and quasi contracts.
118.	Administration.
119.	Fraudulent claims, vouchers, statements, etc.; jurisdiction.
120.	Powers and duties of contracting agencies.
121.	Administrator of General Services; additional duties.
122.	Use of appropriated funds.
123.	Delegation of authority by Administrator of General Services.
124.	Effective date; applicability to lend lease contracts.
125.	Exemption of certain contracts outside continental United States or in Alaska.

§ 101. Declaration of policy

The Congress declares that the objectives of this chapter are—

(a) to facilitate maximum war production during the war, and to expedite reconversion from war production to civilian production as war conditions permit;

(b) to assure to prime contractors and subcontractors, small and large, speedy and equitable final settlement of claims under terminated war contracts, and adequate interim financing until such final settlement;

(c) to assure uniformity among Government agencies in basic policies and administration with respect to such termination settlements and interim financing;

(d) to facilitate the efficient use of materials, manpower, and facilities for war and civilian purposes by providing prime contractors and subcontractors with notice of termination of their war contracts as far in advance of the cessation of work thereunder as is feasible and consistent with the national security;

(e) to assure the expeditious removal from the plants of prime contractors and subcontractors of termination inventory not to be retained or sold by the contractor;

(f) to use all practicable methods compatible with the foregoing objectives to prevent improper payments and to detect and prosecute fraud.

(July 1, 1944, ch. 358, § 1, 58 Stat. 649.)

SHORT TITLE

Section 27 of act July 1, 1944, provided that: “This Act [enacting this chapter] may be cited as the ‘Contract Settlement Act of 1944’.”

SEPARABILITY

Section 26 of act July 1, 1944, provided: “If any provision of this Act [enacting this chapter], or the application of such provision to any person or circumstance, is held invalid, the remainder of this Act or the application of such provision to persons or circumstances other than those as to which it is held invalid, shall not be affected thereby.”

§ 102. Surveillance by Congress

(a) To assist the Congress in appraising the administration of this chapter and in developing such amendments or related legislation as may further be necessary to accomplish the objectives of this chapter, the appropriate committees of the Senate and the House of Representatives shall study each report submitted to the Congress under this chapter and shall otherwise maintain continuous surveillance of the oper-

ations of the Government agencies under this chapter.

(b) Repealed. Oct. 31, 1951, ch. 654, §1(110), 65 Stat. 705.

(July 1, 1944, ch. 358, §2, 58 Stat. 649; Oct. 31, 1951, ch. 654, §1(110), 65 Stat. 705.)

AMENDMENTS

1951—Subsec. (b). Act Oct. 31, 1949, repealed subsec. (b) which related to reports to Congress.

§ 103. Definitions

As used in this chapter—

(a) The term “prime contract” means any contract, agreement, or purchase order heretofore or hereafter entered into by a contracting agency and connected with or related to the prosecution of the war; and the term “prime contractor” means any holder of one or more prime contracts.

(b) The term “subcontract” means any contract, agreement, or purchase order heretofore or hereafter entered into to perform any work, or to make or furnish any material to the extent that such work or material is required for the performance of any one or more prime contracts or of any one or more other subcontracts; and the term “subcontractor” means any holder of one or more subcontracts.

(c) The term “war contract” means a prime contract or a subcontract; and the term “war contractor” means any holder of one or more war contracts.

(d) The terms “termination”, “terminate” and “terminated” refer to the termination or cancellation, in whole or in part, of work under a prime contract for the convenience or at the option of the Government (except for default of the prime contractor) or of work under a subcontract for any reason except the default of the subcontractor.

(e) The term “material” includes any article, commodity, machinery, equipment, accessory, part, component, assembly, work in process, maintenance, repair, and operating supplies, and any product of any kind.

(f) The term “Government agency” means any executive department of the Government, or any administrative unit or subdivision thereof, any independent agency or any corporation owned or controlled by the United States in the executive branch of the Government, and includes any contracting agency.

(g) The term “contracting agency” means any Government agency, which has been or hereafter may be authorized to make contracts pursuant to section 611¹ of Appendix to title 50, and includes the Reconstruction Finance Corporation and any corporation organized pursuant to the Reconstruction Finance Corporation Act, and the Secretary of Commerce.

(h) The term “termination claim” means any claim or demand by a war contractor for fair compensation for the termination of any war contract and any other claim under a terminated war contract, which regulations prescribed under this chapter authorize to be asserted and settled in connection with any termination settlement.

(i) The term “interim financing” includes advance payments, partial payments, loans, discounts, advances, and commitments in connection therewith, and guaranties of loans, discounts, advances, and commitments in connection therewith and any other type of financing made in contemplation of or related to termination of war contracts.

(j) The term “Administrator” means the Administrator of General Services.

(k) The term “person” means any individual, corporation, partnership, firm, association, trust, estate, or other entity.

(l) The term “termination inventory” means any materials (including a proper part of any common materials), properly allocable to the terminated portion of a war contract, except any machinery or equipment subject to a separate contract specifically governing the use or disposition thereof.

(m) The term “final and conclusive”, as applied to any settlement, finding, or decision, means that such settlement, finding, or decision shall not be reopened, annulled, modified, set aside, or disregarded by any officer, employee, or agent of the United States or in any suit, action, or proceeding except as provided in this chapter.

(July 1, 1944, ch. 358, §3, 58 Stat. 650; Ex. Ord. No. 9638, §1, eff. Oct. 4, 1945, 10 F.R. 12591; Ex. Ord. No. 9809, §§1, 8 eff. Dec. 12, 1946, 11 F.R. 14281; Ex. Ord. No. 9841, §§101, 203, eff. Apr. 23, 1947, 12 F.R. 2645; June 30, 1947, ch. 166, title II, §207, 61 Stat. 209; 1947 Reorg. Plan No. 1, §201, eff. July 1, 1947, 12 F.R. 4534, 61 Stat. 951; June 30, 1949, ch. 288, title I, §102(b), 63 Stat. 380.)

REFERENCES IN TEXT

Section 611 of Appendix to title 50, referred to in subsec. (g), was repealed by Pub. L. 89-554, §8(a), Sept. 6, 1966, 80 Stat. 651. See section 1431 et seq. of Title 50, War and National Defense.

The Reconstruction Finance Corporation Act, referred to in subsec. (g), is act Jan. 22, 1932, ch. 8, 47 Stat. 5, as amended, which was classified to chapter 14 (§601 et seq.) of Title 15, Commerce and Trade, and has been eliminated from the Code. For complete classification of this Act to the Code prior to its elimination from the Code, see Tables.

CODIFICATION

In subsec. (g), the Smaller War Plants Corporation was omitted from the definition of the term “contracting agency,” in subsec. (g) on the authority of section 207 of Act June 30, 1947, which provided: “The liquidation of the affairs of the Smaller War Plants Corporation administered by the Reconstruction Finance Corporation pursuant to Executive Order 9665 shall be carried out by the Reconstruction Finance Corporation, notwithstanding the provisions of the last paragraph of section 5 of the First War Powers Act, 1941 [section 605 of Title 50, Appendix, War and National Defense]. The Smaller War Plants Corporation is hereby abolished.”

TRANSFER OF FUNCTIONS

In subsec. (g), “Secretary of Commerce” substituted for “War Production Board” in view of transfer of War Production Board functions to Civilian Production Administration, then to Office of Temporary Controls, and then to Secretary of Commerce by Ex. Ord. Nos. 9638, 9809, and 9841.

In subsec. (j), functions of Director of Contract Settlement transferred to Secretary of the Treasury by Ex. Ord. No. 9809, §8, and Reorg. Plan No. 1 of 1947, §201,

¹ See References in Text note below.